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April 29, 2026

House File 4845 (Hollins)

Chair Gomez, Chair Davids, and House Taxes Committee Members -

The National Federation of Independent Business (NFIB) represents over 10,000 small businesses across Minnesota. Our mission is to promote and protect the rights of our members to own, operate, and grow their businesses.

NFIB opposes HF 4845, which would create a 5th-tier individual income tax rate of 10.85%. Such an increase would have a negative impact on small employers and the local communities that rely on the steady, good-paying jobs that they provide.

Many small businesses are structured as pass-through entities, with their business income taxed at the individual level. The introduction of a 5th-tier income tax rate would place a heavier tax burden on these local job creators, which would discourage investment, slow hiring, and make it more difficult for small businesses to compete and thrive in an increasingly competitive market.

A recent NFIB survey shows that small business optimism is on the decline and uncertainty is rising. 11% of small business owners reported that it is a good time to expand their business, and only a net 12% of owners plan to create new jobs in the next three months. The creation of a 5th-tier individual income tax rate would further contribute to this economic uncertainty and would impair the ability of small businesses to invest in and grow their businesses in Minnesota.

We respectfully request that you oppose House File 4845.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Boesche", written in a cursive style.

Jon Boesche
Minnesota State Director
National Federation of Independent Business
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